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ABSTRACT

A yearlong social studies course which actively involved sixth graders in learning about economics is described. The plan of study was developed jointly by teacher and students. As they used the textbook "Regions of the World" by Lawrence Senesh, the students selected topics that lend themselves to applying economics. Each of these topics was introduced by taking a field trip or engaging in a meaningful school or classroom activity. The economic ideas introduced had some significant meaning to students in the local setting before those ideas were applied to some other part of the world. The learning experiences consisted of a variety of activities, including interviewing local people, taking field trips, having resource speakers in the classroom, and using a wide variety of resource materials. The course description is organized around the areas or topics studied: where people live, interdependence and trade around the world, different economic systems, black gold and its impact on the economy of the world, and bringing the world together through modern technology. As a culminating activity the students wrote economic booklets. Evaluations showed that the course was very successful. (RM)

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THE WIDE WORLD OF ECONOMICS

A Sixth Grade Study of the Economic Forces at Work Around the World

by

JoAnn Lovett

Woods Elementary School
3201 Massard Road
Fort Smith, Arkansas 72903

1980-81

SO 012 126

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INTRODUCTION

I teach a sixth grade in an open space elementary school in an affluent neighborhood located on the eastern edge of Fort Smith. The neighborhood is relatively new with some housing areas still under development. With a few exceptions, the parents are engaged in well-paying professions or occupations. Many of the patrons are connected with business interests in Fort Smith.

The children in my class during the 1980-81 school year were generally very intelligent and eager to learn. They came from homes where education was considered to be a valuable asset.

Economics has been an integral part of the curriculum in Woods School even since the school was started several years ago. Teachers are encouraged to stress the basic economic concepts in a variety of ways.

In the past, I have usually chosen a special topic, and conducted a separate unit on economics. There was always some fusion with other subjects, especially the social studies disciplines of history and geography. The correlation was usually incidental instead of being planned.

At the beginning of the 1980-81 school year, I began a search for a topic that would interest my students. I usually take one class period to introduce the textbook that we are going to use in a particular subject. As we discussed the sixth grade social studies text, Regions of the World by Dr. Lawrence Senesh, the students began to ask questions, such as these:

"Are you going to teach economics to us?"

"Are we going to have to study the textbook all of the time?"

"A-e you going to do any field trips with us this year?"

"Why can't we have a lot of activities?"

During the ensuing days I began to ponder these questions. It was obvious that my students wanted to study economics and that they wanted an activity approach to learning social studies in contrast to a page by page study of the textbook.

In our next social studies class meeting I proposed to the students that we use an activity approach in our social studies class and that we do a year-long study of economics. The students were eager to try the experiment. We agreed to let the economics study develop as we progressed from day to day in our social studies program.

PLAN OF STUDY

We continued to discuss the approach that we would take in developing a plan of study. After several days of discussion, the following plan of study developed:

1. As we used the social studies text, we would select numerous topics that lend themselves to applying economics.

2. Each of these topics would be introduced by taking a field trip or engaging in a meaningful school or classroom activity.

3. We would make sure that the economic ideas introduced would have some significant meaning to students in the local setting before applying those ideas to some other part of the world.

4. The learning experiences would consist of a variety of activities, such as: interviewing people in Fort Smith, taking field trips, having resource speakers in the classroom, writing to foreign embassies in Washington to gather information about different countries, and using a wide variety of resource materials.

One student summed up the intent of the study when he remarked, "This is going to be fun! We will be studying world wide economics!"

Eventually our study came to be known as "The Wide World of Economics". When we decided to enter the project for judging in the Nineteenth Annual International Paper Company Foundation National Awards Program for the Teaching of Economics, we elected to use that topic.

OBJECTIVES

The emergence of our objectives occurred over a period of three or four weeks. As we reviewed our plan of study and some of the topics in which students were interested, we would jot down objectives. Finally we had the following list of general objectives that would guide us through a year-long study of economics.

1. To develop a meaningful approach to the study of economics that is correlated with the regular sixth grade social studies program.

2. To use many activities in a variety of ways to enhance the learning experiences of the students.

3. To learn how productive resources are used around the world.

4. To learn about the economic system of each country studied and how the production of goods and services is carried out.

5. To learn about the economic and cultural reasons why people live where they do.

6. To make a study of the interdependence of people from the different regions of the world and the economic significance of international trade.

7. To learn about the scarcity of energy and its impact on the economy of all nations.

8. To study the advance of modern technology and its effects upon the economic development in the different regions of the world.

AREA A: WHERE PEOPLE LIVE

Our first area of study developed from a question raised by a student, "Why would anyone want to live in Siberia where the temperature falls to 100 degrees below zero?"

No one seemed to be able to answer this question because no class member wanted to live in a country with such extremely cold weather.

We discussed how people live in certain areas for geographical reasons. Even though the temperatures may be extreme, people are willing to go to great expense to make their land inhabitable and to build an economy that will support them.

Bart said, "Yes. Just look at the Dutch. Their country would be under water if it were not for the dikes and drainage ditches."

"What about Sweden," said Cynthia, "it has little coal and no oil. The people have a high standard of living because they have harnessed the waterfalls and rivers to give them electrical power."

Pointing out another reason why people live where they do, Chip ventured, "I read in our textbook that people live in miserable places because they want to be with their own people?"

"This is true," I told the group. "Cultural reasons are very strong in keeping people tied to different regions of the world."

"Sure," griped Chad, "we have days on end in the summer time when temperatures rise to over 100 degrees above zero. I'll bet you that the people in Siberia wouldn't like that either!"

After some discussion, the students suggested that we try to find out why people live in Fort Smith. This would give us a better understanding of

why people could live in other places and be just as happy as we.

The first activity was to have the students write an essay on "Why I Had Rather Live in Fort Smith Than Anywhere Else in the World." One student wrote:

Why I Live in Fort Smith

> Our family has many reasons for living in Fort Smith, Arkansas. One is that we enjoy it here. My dad has a job here. He is a doctor at the Cooper Clinic. He likes his patients and everyone else. Fort Smith has a college and is near Fayetteville, where Arkansas University is. Ellen Hendricks and I enjoy it here. It has good schools and teachers. We have our family in Arkansas. It is pretty here and there are lots of fun things to do. We like our church and minister. My mom is active in many church things. We also live here for economical reasons. We live near a river where we can get good transportation. We have many goods and services here. My granddad is a farmer and the land around here is good for the company he works for. The weather is just right. We have hot summers and cold winters with frequent rains. My dad gets good pay here and our family loves the surrounding Ozarks.

The next assignment was to have each student ask his or her parents why they lived in Fort Smith.

Many of the answers (such as the ones below) that parents gave were not only geographical and cultural in nature, but economical as well.

> "Nearly everyone speaks the same language."
>
> "The climate is pretty good except when the weather is hot in the summer and cold in the winter."
>
> "I can hunt and fish when I am not working."
>
> "This is where my job is and I can make a living to support my family."
>
> "Fort Smith is an industrial city, and there are lots of jobs when there is not a recession."
>
> "I like living in Fort Smith because it is a river city. It is going to grow since the river is navigable."
>
> "I can go to a church where people believe like I do."

"Most people in Fort Smith are hard workers."

"We have a good educational system."

"We are good at solving our problems."

I asked the students to analyze all of the statements made by their parents, including the ones above, for indications of economic reasons as to why they liked living in Fort Smith. They pointed out the availability of jobs because Fort Smith is an industrial and Port City. They also noticed that some parents had mentioned that most people in Fort Smith are hard workers and that we are good at solving our problems. Several parents had commented on the good educational system.

So, we concluded that people continue to live in Fort Smith not only for geographical and cultural reasons, but because our people are good producers of goods and services.

I gave the students a weekend assignment to think about the changes that have taken place in Fort Smith over the past few years that have improved the quality of life as well as raised the standard of living for Fort Smithians. They were to ask their parents to help them.

On Monday morning the students were full of enthusiastic answers, such as these:

1. The navigable Arkansas River and the Port in Fort Smith.
2. New industry.
3. The new shopping malls, especially Central Mall.
4. Ben Geren Park.
5. The new highway 540.
6. New school buildings like Woods School.

Windy said, "Yes, but all of these things cost a lot of money." Even though the students felt that these changes were necessary to make Fort Smith

a better place in which to live, they continued to talk about the cost. I explained that all of us realized that nothing of value could be produced without using human, natural, and capital resources as well as entrepreneurship, but we sometimes simply had to make trade-offs.

We divided the class into two groups (giving each student a choice) to analyze the costs and benefits of each change that the class had discussed. For example:

The Navigation of the Arkansas River

Cost: The federal government financed the river project while running a deficit and increasing the national debt. Not only was government using resources that could have been used for other purposes (opportunity cost), but the federal spending was adding to inflation.

Benefits: Having a river port on a navigable river helps bring industry to Fort Smith. It is cheaper to ship by water, and it saves energy in transporting heavy cargo. The dams control flooding and conserve the soil in the Arkansas River Valley. Making the river navigable has created new jobs and increased prosperity in our city.

New Industry

Cost: Some industries pollute the environment. More industry means more people to provide city services for.

Benefits: New industry makes jobs for the people living in the city. It brings wealth into the community. Workers have money to spend that goes round and round. The industries produce the goods and services that the consumers will buy in the marketplace.

New Shopping Malls

Cost: The sprawling shopping centers use more land than is necessary. That land cannot be used for housing, grazing cattle, or growing crops. People use more gas driving to the shopping malls. Prices are higher because of the overhead.

Benefits: The land is developed and the city is beautiful. Central Mall now stands where an ugly old pond was located. We are able to shop in airconditioned comfort the year around. There is plenty of parking, and more goods and services are available to us. The malls employ many people who will spend their earnings in Fort Smith. Having airconditioned malls is another way of helping us adjust to our

enrivonment. People all over the world use their resources to make life better for them.

Ben Geren Park

Cost: Much of the huge Ben Geren Park is not used very much. That is land that can never be used for other purposes (opportunity cost).

Benefits: Thousands of people go the park and relax. Children can play in a healthful environment. Having good recreational facilities attracts industry to Fort Smith.

Highway 540

Cost: The cost in dollars was very great. The people of Arkansas have just recently had their automobile license fees doubled to provide more money for highway construction. The huge right-of-way for the four lane highway just takes acres and acres of land.

Benefits: Without Highway 540, people would have trouble getting to work. There is no way the old highways through town could handle the traffic. Without a good transportation system a community cannot survive. Regardless of cost, we could not do without 540.

New School Buildings

Cost: We needed the new school buildings badly, but they are costly. First of all, our parents have to pay higher taxes. School buildings use land. Productive resources used to build schools cannot be used for other purposes.

Benefits: Money spent on education is always money well spent. We live in a specialized age. People have to be educated well. A community that won't educate its citizens won't prosper. Human resources are our most valuable resources. They have to be trained to produce goods and services.

Following this lengthy discussion, I emphasized to the students that people live where they do for goegraphical and cultural reasons, but that economics plays a large part in it. People use technology to improve their living conditions and to make life more comfortable for themselves, wherever they live. I reminded them to be mindful of the economic decisions that people in other regions have to make as we study those areas. For instance, Israel had to make some of the same economic decisions that we have been making in

Fort Smith when the Negev Desert did not have enough water for farming. They used productive resources to build irrigation systems, so that crops can be grown where there was once only sand. I had the children go through their textbook to locate examples of how people around the world have had to make economic decisions in order to adjust to their society. They cited examples, such as the following:

1. The middle portion of the continent was passed over by the first rush of settlers to the west coast. These settlers were looking for the gold, land, and commerce of the west coast.

2. The early settlers of Europe made their living by hunting, fishing, farming, or lumbering. So they lived near forests, rich soil, the sea, rivers, and lakes.

3. Most Asians live in small villages and go outside their villages daily to cultivate fields.

4. The Soviet Government has wanted to develop parts of Siberia, so it has sent people there and directed them to set up towns and factories.

5. Most Australians live along the coast because they work in manufacturing and trading instead of farming.

6. The Europeans established large plantations and slave trading posts near the coast. The plantations atracted many workers. This is the reason why some of the most thickly populated areas of Africa are on the coast.

We continued to look at some ways we spend our resources to make life more livable and enjoyable in Fort Smith. The children pointed out, for instance, that we use energy to heat in the winter and energy to cool in the summer, all at great expense.

AREA B: INTERDEPENDENCE AND TRADE AROUND THE WORLD

Our knowledge of other countries was broadened by a visit from Mr. Bruce Vick, a social studies teacher at Kimmons Junior High School, who has traveled extensively in Europe. The pupils took notes on Mr. Vick's lecture, and here are a few excerpts from his presentation:

> The economy of England depends mainly on manufacturing and trade. England has been a leading manufacturing country since the Industrial Revoluation began there in the 1700's.
>
> England has few natural resources, except for large deposits of coal and low-grade iron ore.
>
> England trades heavily with Canada and other commonwealth countries and with the United States.
>
> Food, oil, and raw materials for industry are England's chief imports. Its leading exports include automobiles, chemical products, machinery, ships, and textiles.
>
> France is not only a beautiful and historic country, it is also rich and powerful. It stands fourth among the countries of the world in its trade with other nations. Many American companies have industries there.
>
> Holland's chief imports are raw materials to make into products such as ore for iron and steel works.
>
> The value of imports is more than exports. The Dutch make up the difference by shipping and banking to other countries, and by tourism.
>
> Dutch exports include dairy products, drugs, fertilizers, textiles, rubber products, tobacco products, diamonds, flower bulbs, etc.
>
> Many American industries have located in Germany. West Germany is the world's third-ranking industrial nation, after the United States and Russia.
>
> Germany's chief imports are food and industrial raw materials. Exports are automobiles, chemicals, iron, steel products, and machinery.
>
> Italy is the leading tourist country of Europe but is not as economically minded as some of the other countries.

It was from seeing Mr. Vick's slides and hearing his lecture that we began to see how countries depend upon one another.

We were also beginning a study in our textbook of mercantilism as practiced by the British Empire. The students were beginning to get a distorted view of trade when they learned how the British's main purpose for having the government control trade was to increase the amount of gold and silver in the royal treasury. The students also began to understand that wars and explorations in earlier times were designed largely to control trade routes and to enrich the stronger nations.

Then we moved on in our study to see that an idea opposed to mercantilism was developing. People wanted to buy raw materials from the cheapest source. They wanted to sell manufactured goods in the markets that would pay them the most. These businessmen did not want the government to dominate them; they wanted the freedom to operate as they pleased in free markets. The belief was emerging that competition would be good for the public, because businessmen would produce the best goods at the lowest price when competing with each other.

At this point, I could see that the students were taking a "textbookish" view of trade and not fully understanding its impact. We began to discuss the reasons for foreign trade and I had the students to make several charts, similar to the ones below, to enhance their understanding of the subject:

Chart #1

> Scarcity is the key problem in the study of economics. Resources are not always divided equally among nations. Nations then trade to get the resources they need. Nations know that it requires the use of capital resources to increase production.

Chart #2

> Interdependence leads to specialization and trade. Specialization illustrates how countries produce and trade specific goods and services. We buy goods from other countries because they are produced with resources we do not have or cannot use as efficiently or

economically. We may also buy goods from other countries, because we prefer their products over similar products produced in this country.

I explained to the students that we are seldom aware of the extent to which we are involved in foreign trade. I gave the following weekend assignments to my students:

1. Make a list of the products and objects that you have in your home which have come from another country and list their place of origin.

2. Go through a newspaper or magazine and find references to goods from other countries which are available in Fort Smith. List the commodities and the countries.

3. Go through the yellow pages of the telephone book for references to foreign goods.

We held a class discussion on the foreign goods that are available in Fort Smith. Here are some quotes by students:

"We have wicker baskets and I have wicker furniture in my bedroom that came from a foreign country." Tonya related.

Chad said, "My mother has some brass candle holders that we bought here, but weren't made in this country."

"My mother has china from England that she also bought here in Fort Smith," chimed Jim.

Mike volunteered, "We have gobs of games and what-nots that came from China."

"We have a foreign car, "Trevor proudly reported.

Sally said, "My camera came from Korea."

"Well, my watch is from Switzerland," Larry piped up.

Chip ventured to say, "We have two Lincoln Continentals. We like them and we can afford the gas. They are made in America."

Bart said, "I'd be ashamed to drive a foreign car when there are so many Americans out of work."

Wendy replied, "The manufacturing entrepreneurs are to blame and they deserve to go broke. They could have spent money for technology and made better cars."

Cynthia said, "I feel sorry for the auto workers, but our family comes first and we don't have money for a lot of high priced gas."

Following this discussion the students began to argue more fervently about buying some foreign products such as automobiles when the car manufacturers in this country are having problems staying in business. The students wanted to debate the issue. We divided the class into two groups, with two speakers from each group, presenting the arguments for and against buying foreign automobiles when our own car manufacturers are losing money or getting government loans or both. The students were given one week in which to prepare their arguments. The following condensed versions of their speeches indicate the depth of their arguments.

Speaker #1: I am in favor of putting a high tariff on foreign automobiles since our car producers are going broke. A tariff is nothing but a fee on imported goods. It doesn't make any sense to buy Toyotas and Datsuns when the domestic car dealers in Fort Smith can't sell Chevrolets, Fords, and Chrysler cars. A high tariff would discourage people from buying the foreign cars, because the price would be higher in the marketplace. We don't need competition from foreign cars, because our people are losing their jobs because of it. We need to protect our industries. You can bet that foreign countries will look out for their interests, and pass laws to protect themselves. Why don't we?

Speaker #2: I am against tariffs on automobiles. I believe in free trade. No barriers should exist. Goods and services should be sold and purchased freely from country to country. I am greatly in favor of continuing to purchase the small cars made in foreign countries. For one thing, they get better gas mileage. That helps save energy, a vital natural resource. If we can help cut down on the amount of oil we import that will help make up for the car imports. Trade restrictions mean that people are not making the best use of the world's resources. Competition is part of our free enterprise system. If it's good for

people in our own community, then it's good for car manufacturers. Competition is supposed to give us better goods at a lower cost. If you restrict competition, it simply means that we shall get shoddy goods at a higher price.

Speaker #3: I agree with my colleague. We should slap a high tariff on foreign automobiles. Our economy is in bad shape. The automobile producers need protection. Our country is going in debt every year. Why not put a high tax on automobiles and let people buy them if they want to. The tariff fees can go into the federal treasury and help keep the country out of debt. I have the feeling that people would not buy these foreign cars if they had to pay a lot more for them. One of my opponents talks about competition. Would he be in favor of more competition if his father lost his job because of slow sales of American made cars? Most people talk about competition until it begins to hurt them. Competition is good up to a point. But it should not be allowed to destroy a giant industry like the production of automobiles, especially when it is the foreign producers who are doing the destroying.

Speaker #4: My opponents are missing the whole point in this argument. Why are American car makers losing out to the foreign car makers? They are not competing. They are not efficient in the use of resources. An entrepreneur is supposed to take a risk, but he knows that he should use the resources of land, labor, and capital wisely. Competition rewards the efficient producers and penalizes the inefficient. Detroit has to get on the ball. They have good technology. Let them use it instead of crying on Uncle Sam's shoulder. Then there is another thing. If we don't buy Japanese, Italian, and German made cars, how do you think that they can continue to buy our products? We have learned earlier in our study that we buy goods from other countries because they are produced with resources we do not have or cannot use as efficiently or as economically. "Use as efficiently" is the key. The people in Detroit should

be able to make the best car in the world. If they are not now making the best small car, they had better get busy. They should not be rewarded for inefficiency.

Following this debate, a committee of students took a poll after school as parents picked up their children by simply asking them what they thought about buying foreign goods when we are in a recession. They asked such questions as:

1. Do you own a foreign-made automobile? If the answer was "yes," the student would ask why the buyer purchased a foreign-made car instead of a domestic car.

2. Do you think that higher tariffs should be placed on foreign-made cars? Why or why not.

3. As a matter of practice, do you think we should give preference to American made goods when we go the marketplace? Why or why not.

Most of the parents answered "yes" to the first question. They did own foreign-made automobiles. The reasons they gave indicated that they wanted better gas mileage and the "fancy" styling (such as convertibles) of foreign-made cars.

The parents were overwhelming against higher tariffs being placed on foreign-made automobiles.

The parents invarily expressed the opinion that preference should be given to American made goods if the United States can compete with other countries in prices and quality. If not, no preference should be given to American made goods when the consumer goes to the marketplace.

In an effort to gain more information about the foreign car market in the United States, I took a committee to the Norcross Volkswagon and Audi dealership.

Mr. Martin gave us a tour and answered our questions. We learned that Norcross no longer imports Volkswagons because a plant has been built in Pennsylvania. All of the parts are imported and assembled in the United States.

This is a way of cutting down on the high import tax and to give jobs to

American workers. Mr. Martin said that he was not in favor of tariffs because he thinks free trade is better. He said foreign cars out sell American made cars simply because they are more economical. The consumer cannot afford high gas prices. His oppinion is that the American entrepreneurs will be forced to use our technology to produce a product better than foreign-made cars. He feels that the law of supply and demand will work and our car industries will have to produce small compact cars at prices the consumer can afford.

To get more information on foreign businesses operating in the United States, my sixth grade class took a field trip to Bekaert Steel Company in Van Buren.

Mr. Howard Fikes, Personnel Manager, told us that Bekaert is privately owned by the Bekaert family of Belgium. It is the oldest and largest wire manufacturing plant in the world.

Bekaert has been shipping wire to the United States for many years. Jeff asked why they quit shipping us wire and built a plant over here. Mr. Fikes gave two reasons:

1. Transportation cost - Fuel got terribly expensive.
2. Government controls - The government put limitations on the amount of products that could come into the United States.

Mr. Fikes told us that they could make steel cheaper in Europe but by the time the taxes were added, it cost more to ship the finished product to the United States.

Steve asked, "Why did you choose to build here in Van Buren?"

"Well," Mr. Fikes explained, "for three reasons."

1. Van Buren is located in the center of the market for the product we sell. It is right in the middle of the agricultural market.
2. The company wanted to locate on a waterway since they have to ship by barge.
3. There is an abundance of natural resources in the United States.

Mr. Fikes showed us the three main products they produce:

1. barbed wire
2. field fence
3. reinforcing concrete fiber

They import very little and export nothing.

Following our trip to Bekaert Steel Company, I took a committee of six students to the Village Lane Gift Shop in Fort Smith. I chose this business because they sell a lot of imported goods.

Mary Kinsey, owner and operator, gave us a tour of the shop and told us a great deal about imports and her shop.

She imports goods from thirteen foreign countries as follows: Taiwan, India, Italy, Iran, Pakistan, Korea, England, South America, Japan, Phillipines, Peoples Republic of China, Mexico, and France.

First she talked to us about the gifts made from brass. One-third of all her sales are products made of brass. Much of her brass comes from India.

Brian was looking at two brass serving trays and noticed a difference in prices. "Why is this one so much more?" he asked. Mrs. Kinsey explained that the higher priced one was imported from Italy and that there was a larger demand for it. She also had to pay the import tax and transportation tax.

Lisa asked, "Why do you sell imported goods instead of American made goods?"

"Well, because foreign brass and woven products sell better," she replied. "I would like to sell all American products and keep our dollars at home. I would if the public demanded our products, but they don't," she went on to say. She told us that the shop owner is going to sell whatever is in demand because she's here to make a living. "Foreign brass looks better and is better, and that's what my customers want right now," said Mrs. Kinsey.

The students were now getting a better idea of how the market system works in the United States - what, how, and for whom in production.

I had the students write foreign embassies in Washington, D.C. to get information on trade, imports and exports, and natural resources. They asked questions like these in their letters:

1. What goods and services does your country export to other countries around the world?
2. What goods and services does your country import?
3. Does your country import more or less than it exports?
4. What are the main natural resources in your country?
5. Does your country have an adequate supply of manpower to meet production needs?
6. Why does your country find it necessary to conduct trade with other countries?

The students were delighted with their replies. Brian received this letter from Mr. Enzo Masi, Italian Trade Commissioner:

Mr. Brian Shewmaker
Sixth Grade Student
Woods School
3201 Massard Road
Fort Smith, Arkansas 72903

Dear Brian,

Thank you for the letter you wrote us: we are glad to hear of your interest in Italy and to provide you with some of the information you requested.

1) Italy is the sixth industrial nation in the world and it exports thousands of different products. The main things are machinery, cars, clothes, wine, shoes, gold jewelry, furniture and household appliances. Services rendered to other countries are primarily tourism and engineering projects located in developing countries.

2) Imports include raw materials such as oil, iron, timber, plus foodstuff and also sophisticated equipment like computers, aircraft, etc.

3) The import/export balance varies from year to year: in 1980 we had a substantial deficit, while in the previous few years there was a surplus.

4) With the exception of the sunshine and lovely panoramas, Italy has no natural resources to speak of: just some marble and a little natural gas, but on the whole the raw materials needed must be imported.

5) The availability of manpower has never been a problem in Italy. With fifty-seven million inhabitants living in an area just twice the size of Arkansas, there are always plenty of applicants for every job opening. As a matter of fact, over many years, about twenty million Italians have moved abroad to work.

6) Foreign trade is necessary to buy all those products and services that are not produced domestically and in order to pay for them, you must export whatever goods the country has to offer. Italy has few raw materials and high-technology products, and imports them in exchange for all those medium-technology items mentioned before.

7) Over thirty million foreigners travel to Italy every year, especially in the summer months. Tourism is the country's largest single export revenue.

8) Italians have always had a great deal of personal energy which they utilize to create great works of art, like the Gioconda or Rome's Saint Peter's cathedral. Sadly though, the land offers few energy resources to run factories and warm up houses, so the needs are covered almost entirely by imports of oil, gas and coal.

Thanks again, Brian, for your interest in our country. We wish you the best success in your project.

Cordially yours,

Enzo Masi
Trade Commissioner

The students were now getting a very good understanding about each country's national resources, what kind of comparative advantage each country has, how a country uses its resources, what uses they are making of technology, and what kind of trade each country carries on with the rest of the world.

AREA C: DIFFERENT ECONOMIC SYSTEMS

As we were now getting well into our study, I began to realize that some students were confused about how different economic systems work.

In an effort to help the students understand that every society must have an economic system to decide what will be produced, how production will be carried on, and for whom goods and services will be produced, we showed and discussed the filmstrip, Economic Systems.

We learned from the filmstrip that economies with a small group of central planners making all of the decisions for the country are called Command Economies. In order to understand how this kind of economy works, we began a study of the Soviet Union and Communist China.

We learned that the early soviet planners used the resources of the country to produce more capital goods - factories, machines, tools - to build up their defenses. They are now a strong nation militarily. We had a classroom panel discussion with the information emerging that there was very little production of consumer goods in Russia for many years. Luxuries have been scarce and very expensive through the years. Even now, consumer goods are scarce, although the Soviets have increased their production of goods and services that people want. This information was also stressed through murals and posters.

Above all, we learned that the people do not decide what is to be produced. Soviet planners decide that.

A look at Communist China proved essentially the same thing. We located articles in the newspapers that gave us information about the economic conditions in these countries. They were posted on the bulletin board. We

conducted a classroom discussion about the economic changes that are taking place in these countries. We discussed how the Soviet planners, especially, are trying to give workers a little more incentive. Factory workers may now be paid by the piece, in some instances. Other changes are also taking place that indicate these countries are beginning to reward workers for individual efforts.

The students now wanted to compare the economic system in the United States with that of the Soviet Union and Communist China. The students had a basic understanding of how our Market Economy operates, but they were lacking in specifics.

Using our textbook, materials from the library, and newspaper clippings, we began an analysis of our Market Economy. The following concepts were illustrated with huge posters:

1. Every society has unlimited wants, but it has only limited resources. The society must balance the wants and resources.

2. A balance between wants and resources is sometimes effected in a market economy by changing prices.

3. Prices go up and down according to changes in demand. If the demand increases and the supply is the same, the price will rise.

4. If the demand for certain goods and services decreases and the supply remains the same, the prices will fall.

5. Prices change according to changes in supply of goods and services. If the supply increases and the demand is the same, then prices will fall.

6. If the supply of goods and services decreases and the demand stays the same, prices will rise.

7. Increasing prices for certain goods encourage producers to increase production. Falling prices discourage producers.

8. The rising price of a good or service will discourage the consumer from buying it. He or she will buy a cheaper substitute.

9. In order to produce more, producers must buy and use more materials, hire more workers, and expand plants and equipment.

10. The total value of goods produced in the country is shared by everyone - the entrepreneurs and the workers - according to their contribution.

11. The market economy cannot satisfy many of society's needs and wishes. Government satisfies certain needs (schools, roads, welfare, social security, etc.).

After we had discussed the market system quite well, we decided to answer some of the questions that had been raised in the form of role-playing, giving specific examples, and using large answer cards.

Barry, Jeff, and Steve decided to answer the question: What is a capitalistic economic system? They raised a large poster that read: It is a system where individuals make private decisions on economic questions. Steve pantomimed going to the market and purchasing an article of his choice. Jeff explained that he was going to be a lawyer when he grows up. Barry said that he was going into business and would be producing a good to sell in the marketplace at a profit.

What are the main qualities of a capitalistic economy? Several students wanted to dramatize the answer to this question.

To illustrate that the means of production are privately owned, Lacey, Stefanie, and Tracy held up illustrated posters proclaiming:

I OWN A FACTORY

I OWN A FARM

I OWN A STORE

To illustrate the concept that individuals own property and that the law protects that right, Robert and Mike role-played a situation where some entrepreneurs wanted to drill for gas on their property, and they did not want to accept the price the entrepreneurs wanted to pay. The entrepreneurs

took the case to the Gas and Oil Commission. Robert and Mike were able to get a fair price for the mineral rights to their property.

In an effort to show that the American system is really a modified capitalistic system with some government involvement, Kim and Lisa dialogued how the government sometimes intervenes to set prices, limit production, pay subsidies, etc.

Lacey, Tonya, and Wendy visited a grocery store at the corner of Highway 22 and Massard Road to help us better understand how a market operates. I gave them a dollar, and told them to buy something that they could bring back and share with the class. They brought back a small bag of candy and gave each class member a piece. We discussed why that supply of candy was available in that store. An entrepreneur was able and willing to produce the candy at a certain price. Why was there a demand for the candy? Lacey, Tonya, and Wendy were able and willing (with my dollar) to buy the candy at a price that would allow the store owner to make a profit. The price was the amount of money that was acceptable to both buyer and seller.

"Why was the producer of that candy willing to buy scarce resources - capital, human, and natural - to manufacture it?" Mat inquired.

"He was willing to take a risk!" Steve answered.

"But why?" Mat wanted to know.

Jon joined the discussion with this bit of information, "He was willing to take a risk to make a profit. He thought that kids like us would buy that candy. So we, the consumers, decided what the entrepreneur would produce. He bet on us, and he won."

Chip asked, "Why did Lacey, Tonya, and Wendy buy this candy? I know there are many brands of candy at that store."

"We bought that candy," Lacey answered, "because it is good candy and it was cheaper than some of the other brands. Besides, if we had bought the higher price candy you might not of gotten any."

We closed the discussion on this transaction by concluding that production is carried out through competition. Each candy producer has to compete with other producers for the consumer's money. In this case, this particular producer won the battle for our dollar because he produced good candy at a lower price - in the opinion of Lacey, Tonya, and Wendy. Some of the class members disagreed. But they understood that this candy was produced for all of the people like Lacey, Tonya, and Wendy who are able and willing to pay for it.

Brian shouted, "Yeah, their opportunity cost was the good candy they refused to buy!"

I explained to the class that in economic decision-making the most desirable alternative that a person chooses not to do is his/her opportunity cost.

One student asked, "Were workers who produced that candy members of a union?" No one in the class knew, and neither did I. Cynthia agreed to write a letter to the headquarters of the candy company to inquire. We were never able to get a reply from Cynthia's letter. The members of the class were divided in their opinions on the benefits of labor unions.

I explained that unions in a market economy like ours had a perfect right to organize workers and to bargain for better wages and benefits. I also explained that American workers have good working conditions and many fringe benefits because they are free to organize and to bargain as a collective unit with their employer. We contrasted this freedom afforded

American workers with the lack of freedom that confronted workers in command economies.

I asked the students if they knew persons who are members of some union. They did and they identified such unions as AF of L and CIO. They seemed to understand that people joined unions to get more money and better working conditions.

Mr. Warner Nicodemus from Whirlpool Corporation came to our class to discuss labor unions with us. He explained that Whirlpool came to Fort Smith in 1966. They bought a company (Norge) that had failed because of poor sales and labor problems. The company was paying low salaries and a union was formed. Whirlpool has eight divisions and the one in Fort Smith is one of four of its plants that operates with a union.

He explained to us that a National Labor Relations Board representative came to Whirlpool and organized the union. The local members elect their officers and representatives to do their bargaining.

Arkansas has a right-to-work law which means an employee does not have to belong to the union. About 88% of the workers do belong.

Labor representatives meet regularly with management to discuss such issues as wages, overtime pay, vacations, fringe benefits, and working conditions. Each department has a steward who writes up grievances for workers and gives them to a committee person to pass on to the supervisor.

We concluded our discussion by emphasizing that the purpose of labor unions in our economy is to organize workers to get higher wages and better working conditions - more than they might expect to get if they acted alone.

The class now understood that the United States has mainly a market economy, because industries are owned and controlled by private citizens.

In our textbook we began a study of the United Kingdom, India, and Sweden because they have a lot of central planning and control by government. They have "middle of the road" economies because they have features found in both the command economy and the market economy.

We learned that India has faced awesome economic problems. The population grows so fast that the masses of people are desperately poor. The Indian government has had some success in founding industries and in introducing new and more effective farm techniques. Most of the added production has been needed just to keep the larger number of people alive. The government feels that living standards can be improved only if the size of families is limited. India has to seek economic aid from the United States, the Soviet Union, the World Bank, and the United Nations.

We learned that India considers itself to have a democratic form of government and that decisions as to what to produce are made in the market places. The government provides transportation, electrical power, and jobs for many.

Ronka, who moved to the United States from England, reported on the United Kingdom. She told us that Britain lives by foreign trade. It is a densely populated land with 55 million people in an area the size of Oregon. Because it has few natural resources, most of the raw materials used in its industries are imported. In addition, they import about one-half the food they consume. To pay for their imports, they export manufactured goods and perform a wide variety of international commercial services.

Britain is a parliamentary democracy with a constitutional monarch. The economy is mixed, with both private and state participation in, and ownership of industry. The government encourages investment through a national scheme of tax allowances on capital expenditure on plants, machinery,

and buildings.

Some other students reported on Sweden. They informed us that the Swedish government takes an active part in economic affairs, but by far the largest sector of the economy is owned and managed by private enterprises. Most railroads, all telegraph and telephone services, and about half of the electric power plants are owned and operated by the government or by municipalities. The state manages large mining operations and a major sector of the lumber industry. The manufacture and distribution of tobacco and alcoholic beverages is a government monopoly, as is the national lottery. The cooperative movement plays an important role in Sweden's economy. Farmers' cooperatives market about 80% of all agricultural products.

Sweden furnishes social welfare, free schooling, transportation, and telephone and telegraph services for its people. Radio and television stations are privately owned. It is a broad system of social security within the framework of a democratic society that characterizes the Swedish way of life.

We closed this unit by emphasizing that every country chooses an economic system that best suits its needs, and that regardless of the economic system, its basic problem is: Economic resources are limited, but people's wants are unlimited. The basic economic questions that must be answered are:

What will be produced?

How will it be produced?

For whom will it be produced?

AREA D: BLACK GOLD AND ITS IMPACT ON THE ECONOMY OF THE WORLD

We introduced our study of oil quite accidentally. My children follow all of the football, basketball and track events. They mentioned that some schools were changed from 5A to 4A because the athletic fund could not afford the longer trips because of gas prices and shortage. This accident opened up a whole flurry of questions, such as:

"Why is oil so scarce?"

"Who's making all the money on oil?"

"Why are we under control of the OPEC countries?"

"Can't we just refuse to pay what they ask?"

Without trying to answer their questions, I continued to solicit their comments and inquiries. The students made such comments as:

"The oil companies are making a fortune."

"The OPEC countries are outlaws."

"My father says that we would have plenty of oil if the government would quit trying to control it."

I told the youngsters that we would try to find answers to some of their concerns before we started the study in the text on "The Oil Region of the Middle East."

The first thing we did was to conduct a public opinion poll with patrons from Woods School. I had my students ask their parents these questions:

1. Do you believe there is an oil shortage?
2. Do you believe that we are paying too much for gasoline? If so, who is making an unreasonable profit?
3. What action should the government take to help solve the energy problem?

4. What action should the oil and gas industry in the U.S. take to help solve the problem?

5. What can you as a private citizen do?

The results of the poll gave us a hodge podge of opinions based primarily on how the parents felt about the issue. Most of the parents think there is a shortage but that it would not be serious if everyone did their part and if the government would take a lead in economic planning. Oil revenues must be used to develop new industries for the future when the oil is gone, and that oil companies should take the lead in producing alternative energy products. Most parents felt that $1.25 a gallon is reasonable when compared to other countries. As private citizens we can walk or use bicycles when possible. Car pooling and using mass transportation systems should be a must.

I took this opportunity to explain to the class that they were going to get a variety of views and conflicting information about the energy shortage. I stressed that we were interested in making an objective economic analysis.

Our next step was to invite a person who works in the oil and gas industry. We invited Mr. Richard Gordon, Field Research Specialist for oil exploration, to discuss our energy problem. He said his company feels that government controls and regulations are stifling the oil companies' productive capacity, and eroding our freedom. He said our energy problem came when the government tried to interfere with the natural operation of the law of supply and demand. The direct result of price controls was a fall in the supply of goods. Natural gas price controls, beginning in 1954, spurred the demand and inhibited the search for new fuels. Controls of crude oil prices began in 1971. Now the administration is allowing prices to reflect actual replacement values in an effort to bring demand down. The capital requirements for developing new energy supplies are enormous. Our country cannot replace its

energy resources at yesterday's prices. He asked the question, "Who should have the funds to invest in new energy development - private companies and investors, or the federal government?"

He explained windfall taxes to us as the profit made. He gave as an example that if we sold a house that was built 10 years ago and paid 70% of the profit as taxes you could not replace your house. After his talk most kids believe it is best not to have government control but go by the natural law of supply and demand.

Our next step was to send a committee to a retail outlet (a Skelly Station), where gasoline was being pumped into automobiles. The students asked the following questions:

"Is there a scarcity of gasoline? If so, why?"

"Who are making the biggest profits?"

"What competition do you have in the gasoline business?"

"Is the government helping or hindering in the solution of the problem?"

"What can consumers do to help?"

"What do you think is the best way to solve the problem?"

Mr. Darrel Daniel, the station owner, answered the questions the best he could and he explained to them that he was going to have to change from a Skelly Station to another kind because Skelly was leaving Arkansas. He said the reason was that Skelly does not have a monopoly volume large enough to stay in the area. He had heard too that they could only charge 10% interest on late credit charges whereas in other states the interest is much higher. He said he felt that it was the big oil companies who were making the profit because it was not the distributor or lessee. He felt that the government should stay out and let the law of supply and demand work.

With this background of information we were ready to turn to our textbook and study the oil crisis and its impact on the economy of the world.

I divided the class into six committees and assigned a question to each committee. These committees were to use the textbook, all of the materials and information that we had gathered, plus all of the resources in the media center. The committees must report their findings back to the class, using the techniques and methods of their choosing. The questions assigned to the committees were, as follows:

COMMITTEE #1 - Why is oil a valuable non-renewable resource?

After reading "Where Oil Is Found" in our text, a bulletin board display was arranged with an ouline map of the world. The students then pinpointed strategic oil sources and markets, indicating them by symbols and markings that connected supply areas to demand areas. On another bulletin board the students illustrated the products derived from crude oil and how oil is used. A large barrel was drawn on butcher paper and divided into parts to show the relative quantities of products derived from each barrel of crude oil:

Gasoline	-	44%
Fuel Oil	-	30%
Jet Oil	-	7%
Asphalt & Road Oil	-	4%
Kerosene	-	3%
Lubricants	-	2%
Other Products	-	10%

This committee also compiled a list of other products of which petroleum is an important ingredient. Each member of the committee wrote a short paper on topics such as these:

Why Oil is Called Black Gold

What Will Happen When Oil is Gone?

What Does Non-Renewable Mean?

COMMITTEE #2 - How have the oil producing countries been able to use competition to their advantage?

The students on this committee did their research well and then reported to the class with a panel discussion. One panel member explained how countries of the world (especially Europe) competed for control of the Middle East. Another student talked about treaties that may be considered to take advantage of the Middle East countries. One of the very interesting reports dealt with the policy of concessions in which the government of the oil country would give permission to a foreign company to search for oil and to produce it in a certain area for a certain number of years. The company paid the government a rental until a large quantity of oil was discovered, and then a royalty was paid. These early concessions were for a long period of time.

The final member of the panel explained how the oil-producing countries learned how to encourage competition between companies desiring oil. In many instances all oil companies were invited to bid for concessions, stating the amount of royalty it would pay. The oil-producing country could pick the company that offered the most benefits.

COMMITTEE #3 - How does the high price of oil affect the economy of countries around the world?

The students attacked this question by doing what another committee had done. They started by creating a list of oil products and by-products, including the petrochemicals. They made a survey of their committee to determine which of the products listed are used in their homes, school, and businesses in the city of Fort Smith. The committee members then conducted a class discussion by asking such questions as the following:

How will the higher prices on these products affect inflation? (Inflation will continue to rise.)

Which factories and places of businesses would be most affected by a shortage of crude oil? (Those that use the greatest quantity of crude oil in production.)

The students emphasized that the high price of crude oil was affecting the rate of inflation in every oil-consuming country in the world.

This committee turned its attention next to the big oil-consuming countries that were most dependent on OPEC oil. The students reproduced a graph from the text that showed the Middle East's oil customers in terms of millions of barrels per day. Using this chart, they discussed it with the class. "Why do you suppose," they asked, "that Western Europe is the largest customer?" This time the class seemed to be aware that Western Europe is a highly industrialized region with sparse oil reserves of its own, and for this reason it has to be highly dependent on Middle East oil.

Cynthia's grandparents, Mr. and Mrs. Jacob L. King, came to visit our class to show us slides of European countries and to tell us about the high prices there. They took packaged coffee, soups, etc., to try to save on food. A cup of coffee was $1.50 and a hamburger was $3.50. Gasoline was $3.50 a gallon.

"Why is Japan such a large customer?" a class member asked. It was explained that Japan is a highly industrialized region with sparce oil reserves.

The rank of the United States as a customer of the Middle East had been shifting upward for many years but is now shifting downward slightly. What would this do to inflation in this country?

COMMITTEE #4 - What are some of the problems caused by the increasing demand for energy?

The students on this committee made a thorough study of the demand and supply of oil, the amount of energy that machines consume that are being used all over the world, other sources of energy, and how to better balance the energy supply and demand.

The students made a list of some tools and machines in their neighborhood that consumed large amounts of energy, especially oil. In a discussion with

the class, the students compared the use of these tools and machines in the United States with their use in other parts of the world. The class discovered that automobiles in most other countries are smaller than those produced in this country. They consume less gasoline. People use fewer luxury appliances in other parts of the world.

This committee then unveiled a large mural divided into two parts that read: Problems Caused by Using Oil as an Energy Source - Changing Our Way of Life to Keep From Running Out of Oil.

COMMITTEE #5 - What are some possible solutions to the energy crisis and its relation to oil resources?

I worked very closely with this committee to help them set up some problem-solving sessions, using six basic steps.

Step 1. Identify the symptoms of an energy crisis.

We helped the students collect news paper and magazine articles, and make illustrations about blackouts, brownouts, and other evidence of energy shortages (such as price increases for gasoline, electricity, natural gas, fuel-oil supplies, and gas hookups: insufficient heating in schools, etc.).

The various symptoms were thoroughly discussed with the class in order for all students to understand and recognize the crisis.

Step 2. Define the problem.

The students tackled the problem of how the United States could supply enough energy for its growing economy.

Step 3. Determine the reasons for concern.

We explored the effect on economic growth (standard of living).

We identified ecological problems in relation to extraction and use of oil and other energy sources.

We tried to show that existing sources of energy are limited.

We stated different views of value regarding the energy crisis.

Step 4. Determine the scope of the problem.

The students gathered data on (a) the decrease in known U.S. reserves of oil, and (b) the future projections for consumption.

Step 5. Find the causes of the problem.

The problems could be:

Some energy sources are non-renewable.
Adequate substitutes for oil and oil products to supply clean and inexpensive energy have not been found.
Demand has shifted from coal to oil.

Step 6. Solve the problem or suggest possible solutions.

(a) Use mass transportation systems.
(b) Establish free trade in oil.
(c) Limit economic growth and consumer choice.
(d) Promote research in solar and nuclear energy.
(e) Use energy resources more efficiently and economically.
(f) Establish good land-use policies.

Each member of the committee chose the solution that he thought to be the most effective and told how he would implement it.

COMMITTEE #6 - What can you do to help solve the energy crisis?

This committee decided to construct a questionnaire for the class and let each member of the class answer that question. Each member of the class was given a sheet of paper on Monday morning that carried this assignment:

Please list the things that you can and will do to help solve the energy crisis.

The students were told that they would have two days to prepare this lists. Some excerpts from their lists read like this:

1. Turn off the lights and TV when I leave the room. I won't waste electricity.

2. I will cook my hotdog in the microwave oven. It only takes 30 seconds and saves energy.

3. I will draw the drapes when the sun is shining in so the air conditioner won't run so long.

4. I will help Dad put insulation in the attic.

5. I won't open the oven door when its on - I'll look through the glass window.

6. I'll help Dad move the freezer away from a sunny window and it will take less electricity to stay cold.

7. We'll form car pools so our families can save gas.

8. I won't overload the dryer when I help Mom with the laundry. This will save energy.

The students knew that at the end of two weeks they were to report back on what they had done about the things they had listed.

Two weeks passed and the students reported back to the class. While they had made some progress toward saving energy, they learned that it is much easier to make resolutions and plans than it is to carry through on them.

AREA E: BRINGING THE WORLD TOGETHER THROUGH MODERN TECHNOLOGY

Before entering upon the study of the unit in the textbook on one world, I decided to conduct a brainstorming session with the students to see if they had any understanding of the economic principles involved in the regions of the world being drawn closer together. Going to the chalkboard, I asked the students to help me think of some of the great technological advances in our society that are bringing the people together throughout the world. Without discussing or evaluating their suggestions, I simply began to write them on the board, as follows: airplanes, radio, television, cars, space ships, nuclear power, telephone, newspapers, printing presses, underwater cables, communication satellites, better ways of living, movies, trading all over the world, etc.

I explained to the students that the answers they were giving me could probably be grouped under three headings, as follows: Communication, Transportation, and International Trade.

We immediately began a series of activities, starting with our own community, designed to give the students a better understanding of the economic impact of modern technology in today's world.

We invited Rick Murphy from the Fort Smith Chamber of Commerce to explain to us how technology has made the people in Fort Smith more interdependent. He discussed how Fort Smith was the last frontier with a fort built for protection on the Arkansas River. The river was and still is an important means of transportation. Goods and services were produced at the fort during the Mexican War. Even at that time, the fort was by no means

self-sufficient. Much help was needed from the outside world.

Then shops were set up around the fort and a town began to grow. People moved in, farmers grew food, a furniture factory was built and more people came. This continued and now we have big manufacturing plants like Rheem and Whirlpool. With all the people it was necessary to build a dam for drinking water, to build electric generators, sewers and a treatment plant. Schools, libraries, streets, a civic auditorium, little theater, art center, parks, and recreation facilities are all a part of modern Fort Smith. Not only have we grown interdependent of each other in Fort Smith, but a whole network of communication and transportation holds the city together. Mr. Murphy gave one main example, the dial telephone, of how modern technology has affected our city. Do away with the telephone, he explained, and our whole way of life would be changed.

After Mr. Murphy's remarks about the telephone, we invited Mr. Terry Benson, District Manager of Southwestern Bell Telephone Company, to speak to our class on how the telephone affects our economy. According to Mr. Benson, movies and television were developed by Bell Telephone Company. The telephone has a monopoly, so it is regulated by anti-trust laws set up by our government. Two years ago the anti-trust laws ruled that the company cannot grow. The company would like to expand and compete with IBM with computers. Mr. Benson emphasized that without telephones our country's defense could not function, nor could the post office handle the demands on it. Mr. Benson stressed that modern business enterprises could not operate without a system of communication such as the telephone provides.

Continuing our parade of classroom visitors, we invited a local television announcer, Mr. Burr Edson, to talk to the class on how all forms of communications are changing the world. He pointed out how a cable news network operates

twenty-four hours per day. He gave the example of Life Magazine going out of business because the pictures could be seen on television. He explained the impact of television by telling how the picture of a child on a Veitnam road helped to end that war. He discussed how instant news could cause the stock market to change abruptly.

Bart brought up the fact that the 10:00 news was about sad things and made him feel bad before going to bed. Mr. Edson said that he realized this and did his best not to overplay that type of news item. He emphasized, however, that so much world news is sad and that it was the responsibility of the news media to report the news as it happens and the way it happens.

The students were now ready to begin reading printed materials on communication, transportation, and the world of business. The students discussed how instant communication was affecting their lives. They told about viewing television, using the telephone, going to movies, and reading the papers. These are some significant statements they made during the discussion.

"I have a clock radio that wakes me up each morning."

"I watch the news, and that helps me in my school work. It helps me keep up with what is going on in the world."

"I can use the telephone and visit with my friends."

"My mother uses the newspaper to find out the cheapest groceries to buy. I send off for things advertised on TV."

"I spend a lot of time reading the newspaper, listening to television and sometimes I go to a movie. I never thought about doing without these things."

"I saw in the newspaper where they're having the Razorback basketball camp sign-ups. If I had not seen it in the paper, I would have missed the deadline for signing up."

"I know when I watched our Americans come home from Iran. I like seeing live happenings on TV."

"Yea, what about when President Reagan was shot? The whole world knew it in a moment."

To dramatize the differences between the communication systems that existed at the birth of our country and those of today, the students brought a copy of the local daily newspaper to class. Using a felt pen, they marked out those pictures and stories that would not have appeared if we had to rely on communication systems of two hundred years ago. They learned that they had to allow a month for news to cross the Atlantic, six months for it to reach the East Coast from the Orient and logical periods of time from other distances. They picked out stories in the Southwest Times Record that were only a few hours old but happened half-way around the world. They selected local news stories that would not have made it to the newspaper by press time had we not had a good telephone system for reporting news. They brought clippings from the newspaper and posted them on the bulletin board for us to discuss. I had the students to think of several ways that both people and businesses depend on today's communication network. Some of the first thoughts expressed were:

"Businesses advertise for workers in newspapers. People seeking work depend on the newspaper to advertise the jobs."

"My mother depends on newspaper ads for her grocery shopping."

"Businesses also use TV and newspapers to tell about the goods and services they have to sell."

"My grandparents live out in the country and they depend a lot on the telephone to call if they get sick or something goes wrong."

The students prepared a bulletin board collage portraying the results

of worldwide communication. Included in the display below the bulletin board were two books on communication which the students had read. Reports were made by members of the class in which students gave illustrations of the "miracles" of modern communication advantages that we are all reaping as well as some disadvantages. (See scrapbook for a written report.)

In order to enable the students to discover how mass media communication influences many aspects of modern life, I divided the class into five committees to investigate the role mass media communication plays in each of the following areas: business, entertainment, education, politics, and international relations. The students were asked to use the following questions as guides:

A. Business

1. How does the mass media communication expand and equalize business opportunities? Students talked to businessmen and some media people. They received many different ideas. Some of the people interviewed thought that the information offered by mass media helped. Some of the businessmen thought that the media were beginning to slant the news against business.

2. How does it equalize prices? The students learned that media provides current information about the prices of different companies' product lines, such as automobiles and groceries. This information will tend to keep one company from charging a great deal more than its competitors. They used grocery ads to compare prices, with the students pointing out that consumers know where to go for the best buys. They used an automobile ad the same way. They used a page from the newspaper containing stock market quotations to illustrate that a person knows what the price is when he/she goes to buy stock. The seller cannot use inflated prices to cheat the buyer.

3. How does mass media communication increase the volume of international trade? This group showed the filmstrip International Trade. The students explained that instant communication makes it possible for sellers and buyers in the world markets to know where they can locate certain products at anytime. They pointed out that this makes it possible for nations to utilize comparative advantage and specialization to the maximum degree.

4. How does it encourage workers to move from one area of the world to another? The students found ads in newspapers that

told about overseas jobs. The students also told about how they have listened to news on radio and television about jobs for people half-way around the world - oil workers, journalists, teachers, etc.

B. Entertainment

1. How does mass media communication increase people's understanding of other ways of life? This group prepared a written report that contained this information: "The people can learn about the Civil War by watching Gone With the Wind on TV, also ways the black man lived by watching Roots. They learned about Egyptian government by reading the book Mara. All of the biographies provide information about living in certain times. An example would be George Washington, Abraham Lincoln, and Winston Churchill. The information from the embassies told about culture, governments, and economies from foreign countries."

2. How can it lead to imitation of tastes? Another quote from the report reads: "The TV makes things like Coke look so delicious that everyone wants to drink Coke. Advertisements on TV and in the newspaper for McDonald's hamburgers does the same thing."

3. How can mass media communication through entertainment cause resentment and jealousy between nations? This report continues: "Portraying the American way of life as all Americans being rich could cause jealousy among poorer nations. When people are starving all over the world, Americans are dieting to keep from getting too fat. It doesn't look good. The fact that Americans spend so much money on their pets, and other nations have so little money for family food doesn't look so good either."

C. Education

1. How does mass media communication help increase knowledge among people who have no other means of education? Answering this question was difficult for the students. They finally came up with the idea that television is available in remote areas of the world where no education is provided for the masses.

2. How does it aid people in regions where other forms of education are available? The students quickly came up with the idea that educational television was the answer to this question. They used some of the programs on our educational station, Channel 13. Trade Offs was one of their examples as well as Other Families, Other Friends, Pround Heritage, and Cover to Cover.

D. Politics

1. How does mass media communication allow more public debate about issues than ever before? The students referred to the presidential debates. They told how excited they were about the issues when their candidates Mr. Reagan and President Carter, debated on television.

2. How can public opinion polls and mass advertising influence elections? Even though the elections were over when we taught this section, we recalled some study that we made with the class back in October on the presidential election. We discussed how the polls showed Ronald Reagan way out in front until President Carter received so much media exposure during the Democratic Convention. We followed the polls after each debate. We re-checked John Anderson's drive for media exposure to raise his ratings in the polls in order to meet the 15% required by the League of Women Voters in order for him to participate in the presidential debates. At the time the unit was being taught, many Arkansas cities were going for sales tax elections. We studied the way mass advertising was being used on both sides of the issue.

E. International Relations

1. How does mass media communication enable people to see first hand the operation of the United Nations and foreign governments? We selected examples from the newspapers. In each case, we tried to select economic issues.

2. How does it provide constant contact between heads of state? The students discussed the presidential hotline where he has instant contacts with other heads of state.

3. Is there a danger that people miss getting the total picture of the news because of economic issues such as adversising? This question, too, was very difficult for sixth graders. But, they did get into a discussion about how news could be soft-pedaled for fear of losing advertising revenue.

Moving from the study of communication to the study of transportation as a means of holding the people of the world together, we began to see how transportation systems enable nations to divide labor and trade goods and services with each other. Our first activity was to conduct a discussion on the topic, "How the Growth of Transportation Affects the International Division of Labor."

Taking the information that the students had received from the different embassies, they listed some products from each country that were produced there and sold to the rest of the world. For instance, China has a comparative advantage in the production of items that require metals. They have the much needed metals and an abundant supply of labor. Central Africa has

diamond mines. So, they excel in the production of diamonds. Among other products, Central Africa also produces bananas and coffee. Portugal, for example, produces more than half of the world's supply of cork. They have a comparative advantage because of the vast cork oak forests that grow on the hillsides.

The students continued to discuss the comparative advantages that different countries around the world had in producing certain products. They would endeavor to learn about the mode of transportation needed to take these products to other countries of the world.

Then the students began to name items found in their own homes that come from other parts of the world. Very quickly they came up with brass items from Hong Kong, clocks and watches from Switzerland, cameras from Japan, Nike shoes from Taiwan, and pottery from England. The students stressed that these countries had the natural and capital resources plus specialized labor to produce these items. Since there is a good network of transportation throughout the world, these products can be moved to far away places where there is a demand for them in the market place.

The students were now able to see that the international division of labor is an outgrowth of each country's tendency to produce what it is best able to produce by virtue of natural resources, geographic location, and politics. Better transportation, the students learned, allows for greater movement of goods and leads to increased specialization. We also discussed how a good transportation system also encourages the movement of people to places that offer them greater opportunity to use their skills. This, they learned, partly offsets the international division of labor. One student who had been reading about the development of atomic power volunteered the information that a good transportation system brought scientists from

abroad to help the United States develop the atomic bomb. These immigrant scientists also had political reasons for leaving their homeland.

To show that increased international tourism brings nations together and fosters a more international outlook, I had Chip and Steve consult a travel agent for local statistics on the subject. I had the students check on tourists and business people who make trips to foreign countries such as Canada, Mexico, England, and Japan. They looked for travel ads in newspapers and magazines to see which countries advertise most for tourists.

They brought in advertisements by the bunches. Here are some of the captions: "Tahiti Plus," "Fur is Fine, But Bare is Better - Jamaica," "87 Days on the Luxurious Rotterdam," "Choose a Cruise From the Largest Italian Fleet," "Escorted Canadian Rockies Tours," "Take the Train - EURAILPASS," and "15 Day Travel Adventure to Europe."

The students located figures on how many tourists are coming to this country. They discussed the circular flow of money, the balance of payments in the tourist industry, how inflation in other countries and the devaluation of the dollar are making it a bargain for tourists to come here. Also, we stressed that modern technology has made travel so easy that we are getting people from all parts of the world to come to the United States in much greater numbers.

To show that national boundaries impose limits on transportation, I asked the students to give examples of passport and tariff regulations, boycotts, and the protection of national interests.

Alisha explained that countries place qualifications on who can leave the country and to which countries citizens can travel. Mike also pointed out that sometimes, due to modern transportation, people can come in to a country illegally such as, the Cubans who recently came to Fort Chaffee.

Jeff pointed out that tariffs do not allow free trade between nations.

Barry talked about the United States' failure to trade with Cuba and the refusal of the United States to sell grain to Russia.

Randy discussed how some countries will close their borders to foreigners because they fear that their national interests will be harmed. For instance, the Berlin Wall was built by the communists to seal off the East-West border to restrict travel.

Students were beginning to realize that just having a good network of communication and transportation was not enough to create a one world concept. To overcome these limitations we may have to gradually eliminate trade barriers and create a world climate that reduces the fear that people with different ideas will cause harm to a country.

In order for the students to understand how international trade and economic development are helping bring the world together, we turned to a study of large cities that serve as nerve centers of communication, transportation, and business networks. We did not start with such large cities as New York and Moscow. I asked the students to take a map of Arkansas and to examine the metropolitan area of Little Rock and the surrounding small towns. Then they located Fort Smith and the many small towns surrounding their own home city. We decided to study a small town near Fort Smith. Someone suggested that we study Charleston, Arkansas, a small city where United States Senator Dale Bumpers lives.

The students were surprised to learn that people from Charleston do much of their shopping in Fort Smith. Many of their residents use the regional medical services in Fort Smith. Checking on Charleston's transportation system, the students learned that it has no airport and it is not on a major highway. It does have a railroad and the city is served by

two bus lines and trucking companies. Their primary mode of transportation to and from Fort Smith is the automobile.

The students also learned that Charleston's residents have to depend on the Fort Smith Municipal Airport for air travel.

Steve pointed out that Fort Smith depends on Charleston just as much as Charleston depends on Fort Smith. People from Charleston come to Fort Smith for many of their goods and services. This helps businesses to prosper in our city. Many of the businesses in Charleston sell products manufactured in Fort Smith such as furniture, refrigerators, and heating units.

At this point of our study I felt it would be a good idea to visit a place of business where they did some foreign business as well as shipping their products all over the United States.

We toured the Gerber Baby Foods Plant located in Fort Smith. This plant is the newest of their four home plants. It has fourteen acres under one roof and produces one million jars of baby food a day. Total payroll has been $40 million since 1963 just here in Fort Smith. Gerber sells seven out of every ten jars of baby food produced in this country. The reason they are the best seller of baby food is because their standards are so high. These standards are much higher than the government requires.

After our tour, the students were allowed to ask questions. Lacey asked, "Why did you choose to build a plant here in Fort Smith?"

Mrs. Gladys Speer, the personnel manager, replied, "Because of the water supply and abundance of produce. We get most of it from here and surrounding areas."

Stefanie asked, "Do you use all American products?"

"No, we don't, although we wish we could," answered Mrs. Speer. "We import our beef from Argentina because it is a better quality than what we

could get here in the United States. Here cattle are lot fed, which makes for a lot of fat. Argentina cattle are range red and that produces better cattle. We also import apple juice from France," Mrs. Speer added.

Mark asked how much they exported.

"Oh, we export all 150 kinds of baby food to 82 different countries," Mrs. Speer replied.

On this trip to Gerber's Baby Food Manufacturing Plant in Fort Smith, the students learned an astounding fact about how cities become distribution centers. Gerber's products are not sold directly to merchants in Fort Smith even though they are manufactured here. Rail cars are loaded with Gerber products at the production site, and shipped to a distribution center in Little Rock. Then these products are returned to Fort Smith on large trucks. Using our maps of Arkansas, we traced the Gerber delivery trucks from the distribution center in Little Rock to small cities and towns all over Arkansas. The same principle works in their exports to foreign countries. Large distribution centers are imperative.

As a follow-up exercise, the students would take turns demonstrating on their Arkansas maps the links between cities and towns and cite examples of the kinds of flows that occur. They were beginning to discover the economic benefits that cities in our own state derive from one another. They could see how some goods and services flow from the bigger cities to the smaller ones, and some the other way.

We were now ready to turn to some of the world's largest cities and to examine why they are trade centers of the world. Chip gave a report in which he listed such cities as Tokyo, London, New York, Moscow, Paris, Calcutta, and Los Angeles as nerve centers of the world. He stated that these cities are centers of communication, transportation, and business. Imports and

exports are exchanged in large cities like these. Just as we had studied in Arkansas, large cities become distribution points for goods sent to smaller villages and cities. Specialists of all kinds gather in cities because that is where there is a big demand for their services.

Wanting the students to understand that not all cities with large populations could be classed as great anchor centers, I placed the following questions on the chalkboard:

1. Name some large cities that are not great nerve centers for trade, industry and culture. They found that these cities were in underdeveloped countries of the world. They listed some, as follows:

   Baghdad with the population of 3,205,645.
   Cairo with the population of 5,084,463.
   Alexandria with the population of 2,318,655.
   Santiago with the population of 3,448,700.

2. Are these countries highly developed? Using a late edition of the World Book they learned that these countries were not highly developed because some of them have very little land to work with and in some countries the land is useless for growing crops.

3. Would there be as much trade between these countries and the rest of the world as there would be between industrialized countries and the rest of the world? Why? The students learned that there would not be because the underdeveloped countries would not have the products to trade. They pointed out that these countries would not use their resources well. People are not educated as well. Technology, both machines and know-how, is lagging.

Using a world map, the students now took turns identifying the world's largest cities and stating whether they could be considered anchor cities of the world's transportation, business, and communication network.

Before closing the study, I decided to make one more assignment. To help the students gain a better understanding of multinational corporations and their far-reaching effects, I had committees of students to make a study and to give reports on such companies as International Business Machines, General Electric, General Motors, and Standard Oil. The students wrote to these companies for information on their overseas operations. They checked

the World Book, their social studies texts and other sources. Of particular interest to the students was learning about the location of overseas facilities, the kinds of goods and services produced and for whom, the extend of the investment, and information regarding the extent to which the local labor force is involved. (See scrapbook for the reports.)

In summarizing this section on how the world is brought together by modern technology, we simply spent a full class period letting students share what they had learned. Here are typical comments:

Brian: I never realized before how companies had to have offices all over the world in order to get a market for their products.

Steve: I knew that people in the United States were buying an awful lot of Toyota automobiles, but I did not realize that the Japanese had so many English-speaking salesmen in this country promoting the Toyota. They are using the advertising skills of us Americans to sell their automobiles. Of course, they pay us. Why don't we use our advertising skills more to sell our own cars?

Chip: Interdependence makes a lot more sense to me now. Just reading about interdependence in the world doesn't always seem real. But when I see how Fort Smith and Charleston depend on each other, then I begin to see how we have to depend on each other in the whole world.

Jeff: We take technology for granted. I always thought it just dealt with machines and tools. Now, I know that it is much more than that. Without education and learning we wouldn't have much technology. We can't afford to be ignorant.

CULMINATING ACTIVITY
(Writing Economics Booklets)

The culminating activity came about without much prior thought or planning. We had intended to give an assembly program in which the students would share with other intermediate grade students what they had learned in the course of a year's study on economics. There was no interest on the part of the students in doing an assembly program.

The students themselves came up with the idea of writing "books" to summarize what they had learned. As momentum picked up every student wanted to "write a book," either by himself or be a co-author. Once the booklets were completed (See samples that are enclosed with documentary proof), the students had a hilarious time sharing their "books" and discussing over and over what they had learned about economics during the year.

One booklet, Economics Around the World, was typical. It was colorful, well illustrated, and sometimes humorous. The booklet depicted characters from different countries, dressed in native costume, and giving economic facts about his or her country.

For instance, Sandy McTavish, one of the characters in the book, says: "I live in Scotland. My father raises sheep and drinks his share of scotch whiskey, which are two of our main exports."

Another booklet, How Striking Affects Our Economy, gave one student's view of labor unions, how they operate and the effect they have on our economy. The student's views also revealed the prejudices about labor unions that appeared to be part of his family background.

All About Goods and Services for Little People revealed that the student

had learned this economic concept quite well. The author's treatment of goods ranged all the way from clothes to pens and pencils. The services included such occupations and professions as nurse, teacher, dentist, fireman, policeman, chef, and postman.

Every student participated in writing a booklet. When the activity was finished we had about fifteen books. It was an excellent way to complete the year's project.

EVALUATION

Since this study was so much a part of the regular social studies program, I used appreciably the same approach to evaluation that I normally employ with the regular program.

I gave a teacher-made test at the end of each unit in the textbook. I made a point to include several economics questions on the activities that we had pursued in the project. Keeping our objectives in mind, I usually included questions on such topics as productive resources, technology, interdependence, scarcity, and economic systems. The minimum achievement standard for each student was 80% on every test. Rarely did a student score below that level.

The narrative of our study reveals that the students wrote numerous papers on assigned topics. The papers were graded and given back to the students.

Oral reports were graded primarily on economic content. Most students scored extremely well on these reports.

I tried a technique of individual evaluation in which I would engage a student in conversation about what we had studied. I wanted to know if the students could discuss economic ideas intelligently. Over 75% of the students demonstrated in conversation that they were getting a pretty good foundation in economic understanding.

Another technique I used was to stop the students in the middle of a free reading period by asking, "Do you see any economics in what you are reading?" Immediately hands would go up. They were eager to give me an answer, and most students would be somewhere on target.

Open book quizzes were popular with my students. I would say, for instance, "When you read the chapter on energy I want you to answer the questions on the chalkboard. You may use your book." The questions always contained some economic implications.

Economic spelling bees, choosing up sides for economic games, and other fun things added to the enjoyment of the year's work as well as helping me evaluate the students.

Writing the booklets, of course, turned out to be a very good form of evaluation.

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The Economics of Change
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NEWSPAPERS:

Southwest Times Record, Fort Smith, Arkansas: Southwestern Operating Company.

The Arkansas Gazette, Little Rock, Arkansas: Arkansas Gazette Company.

RESOURCE PEOPLE:

Mr. Terry Benson, District Manager, Southwestern Bell Telephone Company, Fort Smith, Arkansas

Mr. Darrel Daniel, Skelly Gasoline Station Owner, Fort Smith, Arkansas

Mr. Burr Edson, Announcer and News Director, Television Station KFSA, Fort Smith, Arkansas

Mr. Howard Fikes, Personnel Manager, Bekaert Steel Company, Van Buren, Arkansas

Mr. Richard Gordon, Field Research Specialist for Oil Exploration, Fort Smith, Arkansas

Mr. and Mrs. Jacob L. King, Cynthia's Grandparents, Fort Smith, Arkansas

Mrs. Mary Kinsey, Owner and Operator, Village Lane Gift Shop, Fort Smith, Arkansas

Mr. James Martin, Executive at the Norcross Volkswagon and Audi Dealership, Fort Smith, Arkansas

Mr. Rick Murphy, Assistant Manager, Fort Smith Chamber of Commerce, Fort Smith, Arkansas

Mr. Warner Nicodemus, Executive at Whirlpool Corporation, Fort Smith, Arkansas

Mr. Bruce Vick, Social Studies Teacher, Kimmons Junior High School, Fort Smith, Arkansas